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BY HAND

June 4, 2002

Ms. Taledia M. Stokes
Equipment Recordation Office
Surface Transportation Board
1925 K St., N.W. - Room 704
Washington, D.C. 20423

RECORDATION NO. 23993 FILED

JUN 4 '02 2:59 PM

SURFACE TRANSPORTATION BOARD

ATTN: Recordations Unit

Dear Ms. Stokes:

I am enclosing for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) the following document which is a "primary document" under the Board's equipment recordation regulations at 49 CFR 1177.1:

A Memorandum of Lease dated May 31, 2002

The names and addresses of the parties to this Memorandum are:

Lessor: LaSalle National Leasing Corporation
One Pennsylvania Avenue
Suite 1000
Towson, MD 21204

Lessee: Florida East Coast Railway, L.L.C.
One Malaga Street
P.O. Box 1048
St. Augustine, FL 32085

This document dated May 31, 2002, provides that LaSalle National Leasing Corporation will acquire from a previous owner certain locomotives identified in the attached Schedule of Equipment and formerly leased to Florida East Coast Railway, L.L.C. ("FEC"), and will enter into a new lease with FEC.

Ms. Taledia M. Stokes
June 4, 2002
Page two

A full description of the railroad equipment covered by this Lease is as follows:

Nine (9) EMD model SD40-2 diesel electric locomotives bearing Union Pacific numbers 3611, 3795, 3706, 3684, 3587, 3547, 3698, 3665, and 3670 which correspond to Florida East Coast Railway numbers 701-709 inclusive.

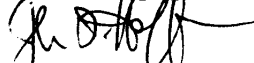
A short summary of the enclosed document to appear in the Board's index is as follows:

A Memorandum of Lease dated May 31, 2002, between LaSalle National Leasing Corporation (Lessor) and Florida East Coast Railway, L.L.C. (Lessee) covering nine (9) EMD model SD40-2 diesel electric locomotives.

A recordation fee check in the amount of \$30.00 is enclosed.

Please date stamp and return for our files one copy of this letter and Memorandum of Lease.

Sincerely yours,



John D. Heffner

cc: Ms. Stacey L. Roig

RECORDATION NO. 23993 FILED

JUN 4 '02 2-59 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of May 31, 2002

between

FLORIDA EAST COAST RAILWAY, L.L.C.,
as Lessee,

and

LASALLE NATIONAL LEASING CORPORATION,
as Lessor

**FILED WITH THE SURFACE TRANSPORTATION BOARD
PURSUANT TO 49 U.S.C. § 11301**

on _____, _____ at ____:____.m.

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of May 31, 2002, by and between LASALLE NATIONAL LEASING CORPORATION ("Lessor") and FLORIDA EAST COAST RAILWAY, L.L.C. ("Lessee"), with reference to the following:

1. Lessor has agreed to purchase and lease to Lessee, and Lessee has agreed to lease from Lessor, those certain railcars described on Exhibit No. 1 attached hereto.

All of such railcars are more fully described in that certain Railcar Lease Agreement dated May 31, 2002, and Schedule No. 1 thereto and incorporating the terms thereof, dated as of May 31, 2002 (together with all of the riders, schedules and other attachments thereto, collectively, the "Lease"), each between Lessor and Lessee.

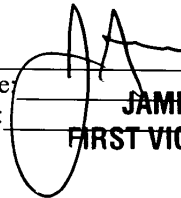
2. The Lease shall be effective as of the date hereof and shall be subject to the term specified in the Lease, and any extension of such term to the extent provided for in the Lease.

This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

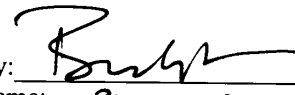
[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written.

LASALLE NATIONAL LEASING CORPORATION

By: 
Name: JAMES A. VLK
Title: FIRST VICE PRESIDENT

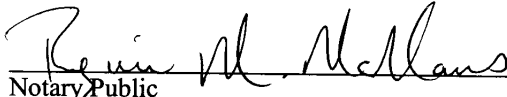
FLORIDA EAST COAST RAILWAY, L.L.C.

By: 
Name: BRADLEY D. LOWAN
Title: TRUCK

STATE OF MARYLAND)
) ss.
COUNTY OF BALTIMORE)

On this 31st day of May, 2002, before me appeared James A. Vlk, to me personally known, who being by me duly sworn, says that (s)he is the First Vice President of LASALLE NATIONAL LEASING CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of the corporation.

[Seal] REGINA M. MCMANUS
NOTARY PUBLIC
BALTIMORE COUNTY


Notary Public

My commission expires: 10/1/04

STATE OF FL)
) ss.
COUNTY OF St. Johns)

On this 31 day of MAY, 2002, before me appeared Bendley D. Lehman, the person who signed this instrument, who acknowledged that (s)he is the VP/TREAS of FLORIDA EAST COAST RAILWAY, L.L.C. and that, being duly authorized, (s)he signed such instrument as a free act on behalf of said limited liability company.

[Seal]

J E Clark
Notary Public

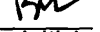
My commission expires:

J E Clark
Notary Public, State of Florida
My Comm. Expires June 3, 2005
Commission No. DB 373603

LASALLE NATIONAL LEASING CORPORATION

SCHEDULE OF EQUIPMENT

Lessee: FLORIDA EAST COAST RAILWAY

Approved By: 
(Lessee to initial each page)

Attached to Bill of Sale dated
May 31, 2002
and/or

Equipment located at:

Street No.

Schedule No.

1

St. Augustine

FL

City

County

State

Zip

Manufacturer and/or
Vendor Name & Invoice No.

Description

FAIX Leasing, Inc.
8023 Pebble Creek Lane West
Ponte Vedra, FL 32082

9 - EMD Model SD40-2 locomotives bearing reporting marks
FEC 705 (formerly known as UP 3684)
FEC 706 (formerly known as UP 3706)
FEC 709 (formerly known as UP 3795)
FEC 702 (formerly known as UP 3611)
FEC 707 (formerly known as UP 3670)
FEC 704 (formerly known as UP 3665)
FEC 703 (formerly known as UP 3698)
FEC 701 (formerly known as UP 3547)
FEC 708 (formerly known as UP 3587)

All locomotives were manufactured by the General
Motors Electro-Motive Division
6-axle units, 3000 HP rating
Diesel Electric Freight Locomotives
Built new in 1979 and 1980